



**TOWN COUNCIL**  
**Regular Meeting**  
**Civic Center**  
**July 16, 2015**  
**6:00 p.m.**

At approximately 6:00 p.m. Mayor George Proto, having established a quorum, called to order the Regular Meeting of the Town Council. In addition to Mayor Proto, present were Vice Mayor Bannon, Councilmen Brown, Godwin, Wendell and Councilwoman Natali. Councilman Bennett arrived at 6:13 p.m. Also in attendance were Town Manager Brent Manuel, Assistant Town Manager Bob Panek, Treasurer Deborah Pocock and Town Clerk Libby Hume. The Department Heads were in attendance as well as 19 members of the public.

A moment of silence was observed and was followed by the recitation of the Pledge of Allegiance.

**RECOGNITION OF VISITORS/PRESENTATIONS:**

Mayor Proto presented two commendations to Messrs. Caleb Mabry and Michael McLendan for their quick thinking and heroic actions to save a victim from drowning at the Cape Charles Beach on June 21, 2015. Mr. Mabry accepted the commendation for Mr. McLendan as well.

**PUBLIC COMMENTS:**

*Hank Mayer, 22 Bay Avenue*

Mr. Mayer gave a brief background regarding the development of the CapeCharlesbytheBay.com website through the NEA Our Town grant and by a number of organizations and citizens of the Town. He went on to express his concern regarding the status of the website and social media marketing program adding that the program needed to be managed by professionals who appreciated and loved Cape Charles and were supported by the business community which were both its clients and beneficiaries. Mr. Mayer stated that the website and related social media had become a major marketing tool for many events and a great resource for marketing area lodging, restaurants and entertainment and added that it was the number one resource for referrals for his bed & breakfast, in competition with a variety of other websites. Mr. Mayer went on to state that he would like to see a non-profit organization in the town take over the management of the program as it was not intended to be a for-profit venture and would always require financial support from the town. Mr. Mayer acknowledged that there currently wasn't an organization to take on the responsibility for the program and suggested the formation of a tourism commission. The Town, organizations and citizens needed to find a way to come together to grow this asset and a way to maintain and protect it during this period of transition.

Town Clerk Libby Hume read emails from the following: Ms. Dorie Southern, 104 Monroe Avenue; Mr. Kearn Schemm, 104 Monroe Avenue; and Mr. George Southern, 104 Monroe Avenue. (Please see attached.)

There were no other public comments to be heard nor any other written comments submitted prior to the meeting.

**CONSENT AGENDA – APPROVAL OF AGENDA FORMAT:**

**Motion made by Councilman Bennett, seconded by Councilman Brown, to approve the agenda format as presented. The motion was approved by unanimous vote.**

**CONSENT AGENDA – APPROVAL OF MINUTES:**

The Town Council reviewed the minutes of the June 18, 2015 Regular Meeting, the June 30, 2015 Special Meeting, and the July 9, 2015 Work Session.

**Motion made by Councilman Brown, seconded by Vice Mayor Bannon, to approve the minutes from the June 18, 2015 Regular Meeting, the June 30, 2015 Special Meeting, and the July 9, 2015 Work Session as presented. The motion was approved by unanimous vote.**

**DEPARTMENT REPORTS:**

**A. *Treasurer's Report:***

Treasurer Deborah Pocock reviewed the Treasurer's report dated June 30, 2015 which showed the Total Cash on Hand of \$1,412,580, the Total Cash Held in Reserve was \$1,464,492 and the Total Cash – All Accounts was \$2,877,072. Deborah Pocock went on to review the Debt Service, Revenue vs. Expenditures, the Capital Improvement Project Tracking Report, the YTD 2014 Real Estate, Personal Property, Machinery and Tools Tax & 2015 License Tax Collections, and the FY 2015 YTD Prior Year Real Estate Tax, Personal Property Tax, Interest and Penalty Collections.

**Motion made by Councilwoman Natali, seconded by Councilman Bennett, to accept the Treasurer's Report as submitted. The motion was approved by unanimous vote.**

**B. *Planning Commission and Boards:***

Town Planner Larry DiRe reported that the Planning Commission met on July 13, 2015 to review comments received regarding the Comprehensive Plan. A full report will be included in the August Council packet. The next Comprehensive Plan meeting was scheduled for September 1, 2015.

Councilman Wendell asked about the recent conversation with the Virginia Department of Transportation (VDOT) regarding parking and asked what the public could expect regarding the Bay Avenue parking project. Larry DiRe stated that pull-in angled parking would not necessarily be prohibited on Bay Avenue based on the speed limit, it being a divided road and crash history. A traffic count would also need to be performed regarding the number of cars and golf carts parked along the street during various times.

There was much discussion regarding this issue as follows: i) Could the Council submit a new application to change the current parking situation on Mason Avenue? Larry DiRe stated that an application could be submitted and would have to go through the entire process for a determination from VDOT; ii) Was there a need for reverse-angle parking along Bay Avenue? Staff did not have all the data to make a determination about the number of additional spaces that would be created. Currently there were no markings to designate any type of parking; and iii) When would the parking be changed on Bay Avenue? Larry DiRe responded that the decision was up to the Council whether an application should be submitted to VDOT. Mayor Proto added that he believed Council approved reverse-angle parking for both Mason and Bay Avenues and unless the Council decided as a group to change the plan for Bay Avenue, an application would be submitted to VDOT requesting reverse-angle parking for Bay Avenue. Councilman Brown stated that when the reverse-angle parking was initially approved by Council, the town did not have an option for pull-in angled parking along Mason Avenue. An ordinance was adopted regarding parking and needed to be enforced.

Councilman Wendell added that more study was needed and suggested a work session to discuss the need, etc. Mayor Proto agreed.

**C. *Other Departments:***

***Code Enforcement:***

Code Official Jeb Brady reported the following in addition to his written report: i) Over 100 more permits were issued in FY 2015 over FY 2014 and \$90K more was collected over FY 2014. The trend was still going upward regarding new construction. Bay Creek had 40 Discovery Tours scheduled over the next three weeks; and ii) The Northampton Hotel had been permitted and construction should begin within the next two weeks.

Councilman Wendell stated that there were 17 electrical meters on the side of the Cape Charles Lofts, but only two water meters and asked about protocol regarding this matter. Public Works/Public Utilities Director Dave Fauber stated that on multiple unit apartments, one meter was installed for the entire building. The Cape Charles Lofts would have a minimum usage of 34K gallons per month which would be split between the 17 units and each unit would be charged for minimum usage. If the account went over the 34K gallons, the overages would be split equally. The Fairways Condos in Bay Creek were set up the same way.

*Town Harbor:*

Harbor Master Smitty Dize stated that there would be carnival rides at Clam Slam this year and he was expecting a huge turnout.

*Cape Charles Memorial Library:*

Librarian Ann Rutledge reported that it had been a busy summer. The library had seen a 25% increase in attendance since relocating to the current building. On July 15<sup>th</sup>, the library held a mime program which had 99 attendees, making the total attendance of 207 for the day.

Councilman Wendell asked about Mr. Mayer's comment during the public comment period regarding the town not contributing any funding for the development of the Cape Charles by the Bay website. Assistant Town Manager Bob Panek responded that the website development was funded by a number of grants from the Virginia Commission for the Arts and Virginia Tourism Corporation along with contributions from businesses, organizations and individuals. The town contributed about \$20K or \$25K for the Arts Walk planning efforts as part of the Our Town project.

*Police Department:*

Town Manager Brent Manuel stated that Police Chief Jim Pruitt would be arriving late and asked whether Council had any questions regarding the submitted report.

Councilwoman Natali stated that she had a citizen question regarding the threat of gangs over the July 4<sup>th</sup> holiday. Brent Manuel responded that the police chief received information that there could have been some retaliation from events that occurred over Memorial Day. The Police Department was fully staffed and a portable lighting device was provided by VDOT to light up the beach area after the completion of the fireworks to provide added safety for residents and visitors leaving the beach. The rain helped facilitate the issue. The police officers continued to monitor things throughout the day and he was never notified of anything to substantiate the rumor.

*Public Utilities/Public Works Departments:*

Public Utilities/Public Works Director Dave Fauber reported the following: i) The outdoor water fountain by the beach bathrooms had been installed and should be operational by the weekend; ii) The layout for the water fountain at the library had been completed and the fountain should be installed sometime next week; and iii) He was planning to have the roof of the maintenance building sealed, and the fire hydrants and Pine Street pump station painted. There was much discussion regarding the maintenance and painting projects.

Councilman Wendell commented on the float line at the beach stating that he felt it was too close to the beach and should have been installed closer to the drop off area. Councilman Wendell went on to state that the signage advising of deep water should be in the water vs. on the beach where people were more likely to pay attention to them and concluded by stating that it was a good effort but more work was necessary.

*Recreation Department:*

Recreation/Community Events Coordinator Jen Lewis was not in attendance. Brent Manuel stated that the summer employee was doing a good job and bringing people in for daily

activities. The Capture the Flag activity was well attended on June 25<sup>th</sup>, with 16 participants, and June 30<sup>th</sup>, with 28 participants.

Councilman Wendell commented that while the summer help was leading exercises on the beach, the town should be researching the cost of a beach patrol vs. lifeguards to determine what the town could afford. Brent Manuel stated that he had spoken to Mr. Thomas Green, the chief of lifeguards for Virginia Beach and had recently received a number of spreadsheets from him. Mr. Green also offered to come evaluate the beach and provide suggestions.

Councilwoman Natali added that the Town Council discussed the beach safety issues at the June 30<sup>th</sup> special meeting and requested staff to research the issues.

## **OLD BUSINESS**

### **A. *PSA/Regional Wastewater Update:***

Assistant Town Manager Bob Panek stated that the PSA met with the Northampton County Board of Supervisors (BOS) on June 22, 2015 to brief the status of the project regarding i) engineering progress; ii) cost estimate; iii) engineering and construction timeline; iv) draft treatment agreement with Cape Charles, including outstanding issues; v) special tax district (STD) and STD/General Fund tax rations; vi) county advance for operations costs and first bond payment; vii) county obligation for PSA bonds; and viii) PSA operations and maintenance costs. The BOS voted to suspend further work on the project until the issues with Cape Charles could be resolved.

Councilman Bennett noted a number of inconsistencies in an article published by the Eastern Shore Post and asked that Council be provided a copy of the minutes from the June 22<sup>nd</sup> meeting.

### **B. *Partial Tax Exemption Request:***

Deborah Pocock stated that a request was submitted by Gary and Christine Williams for consideration of a partial real estate tax exemption under the Town's program offering a tax exemption for rehabilitation of certain commercial or industrial structures. The requirements for this exemption were identical to the exemption offered by Northampton County which provided the pre and post assessments of the property. The Town's process required submission of a separate application to the Town but the County Commissioner of Revenue's decision letter was used as a basis for admission into the Town's program. Gary and Christine Williams were apparently not made aware of the requirement to apply to the Town separately from the County but had fulfilled all of the other required obligations and met the criteria as stated in State, County and Town Codes. Council held a work session on July 9<sup>th</sup> to review the request. The tax abatement, at the current tax rate, would be just over \$200 per year for 10 years, beginning retroactively with tax year 2014.

**Motion made by Vice Mayor Bannon, seconded by Councilman Bennett, to approve a retroactive partial tax abatement for tax year 2014 and the next 9 program years for Gary and Christine Williams' commercial property located at 309 Mason Avenue. The motion was approved by unanimous vote.**

### **C. *Payment of Insurance Proceeds:***

Deborah Pocock stated that Council had appropriated funds and amended the FY 2015 budget at the April 16, 2015 meeting to pay the insurance proceeds from earthquake damage amounting to \$41,073.91 to Charon Ventures as per the sales contract. The construction schedule had been extended beyond the end of FY 2015 and was expected to be completed and ready for the issuance of the certificate of occupancy within the next few weeks. At that time, the developer would pay the Town about \$60K in water and sewer connection charges and the Town needed to pay the above mentioned amount to Charon Ventures. Since FY 2016 started

July 1<sup>st</sup>, it would be necessary to appropriate the funds again and amend the FY 2016 budget so that this contractually required payment could be made.

**Motion made by Councilman Brown, seconded by Councilman Bennett, to appropriate \$41,073.91 and amend the FY 2016 budget in order to satisfy the contractual requirement. The motion was approved by majority vote with Councilman Wendell opposed.**

D. *Application for Harbor Development Certificate – 300 Mason Avenue:*

Larry DiRe stated that on April 20, 2015, the Harbor Area Review Board (HARB) met and recommended approval of a Harbor Development Certificate for a new construction of a mixed use development at 300 Mason Avenue. The Town Council held a special meeting on May 14, 2015 to review the application and denied the request for the following reasons: i) The plans showed the property being purchased by the Town as a “future phase;” ii) The proposed roof line was out of character with the surrounding buildings; iii) The materials needed to be labeled on the drawings; iv) The lower balconies should be removed since they only appeared to be about 4’ off the ground and the exposed area beneath needed to be enclosed; v) It appeared that some of the windows shown on plan SD-2 were below floor level; vi) The drawings needed to show the locations of the mechanical equipment on the roof and the equipment needed to be screened; vii) The site plan did not appear to be in conformance with the guidelines; and viii) The plans (SD-2) needed to show which areas were residential and which were commercial. New plans and photographs had been submitted addressing the points raised by Council. The property owner also submitted a survey plat showing the parcel for subdivision, which was planned for a town-owned public plaza.

**Motion made by Vice Mayor Bannon, seconded by Councilman Brown, to approve a Harbor Development Certificate for 300 Mason Avenue.**

There was much discussion regarding this project with Councilman Bennett expressing his concern regarding i) the double curves of the roof lines; ii) amount of open space; iii) lack of a landscaping plan with a description of plant material; and iv) lack of a rendering being submitted; v) the elevations shown on the plans did not seem to be accurate and the lower balconies’ elevations were not changed from four feet as previously requested. Councilman Bennett concluded by stating that the plans as submitted still did not satisfy the intent of the Harbor Area Guidelines.

Councilman Wendell and Vice Mayor Bannon suggested having the developer, Mr. Patrick Hand, speak regarding Councilman Bennett’s objections, but Mayor Proto denied the request and opted to schedule a work session for a future date to be determined.

**The motion was defeated by majority vote, with Vice Mayor Bannon voting in favor of approval. Councilwoman Natali abstained from the vote.**

**NEW BUSINESS:**

A. *Cape Charles by the Bay:*

Bob Panek stated that the Mayor and some members of Council had received numerous complaints from business owners and residents about the Cape Charles by the Bay website and marketing contract awarded to Cape Charles Wave, LLC expressing their concerns regarding the firm’s ability to effectively market the Town as a tourism destination given the negativity often displayed in their on-line publication, Cape Charles Wave, and lack of familiarity with happenings around town. Consequently, a stop work order was issued until direction could be obtained from Council. Bob Panek went on to propose three options as follows: i) Lift the stop work order to allow Cape Charles Wave, LLC to perform the contract as awarded; ii) Not contract for the services at this time and wait for a non-profit to step forward to perform tourism marketing under a grant agreement with the Town; or iii) Re-compete the contract under newly authorized competitive negotiation procedures for goods and nonprofessional

services as outlined in § 2.2-4303 of the Code of Virginia. Competitive negotiation required the issuance of a Request for Proposals specifying the factors to be evaluated and after negotiations had been concluded with two or more offerors, contract award was made to the offeror making the best proposal and providing the best value.

There was much debate regarding the issue and options and the terminology of professional vs. non-professional in relation to the Code of Virginia. Several of the Council stated their preference for the Town staff to maintain the website. Councilwoman Natali stated that she would like to review the options in more detail. Mayor Proto agreed that a work session should be scheduled.

Bob Panek stated that during the interim, the website was getting stale and suggested having staff update the information. Council was in agreement.

#### **MAYOR AND COUNCIL COMMENTS**

Councilman Bennett stated to Councilman Wendell that the issue with the Cape Charles by the Bay website was not regarding professional vs. non-professional but more of a competent vs. non-competent issue.

Councilman Brown expressed his concern regarding reverse-angle parking adding that the Town adopted an ordinance allowing for reverse-angle parking. When vehicles were parked in violation of the ordinance, the Police Department should be permitted to enforce the ordinance. Currently, cars were being permitted to pull-in and parallel-park in spaces designated for reverse-angle parking and some cars were even parking in angles on the south side of Mason Avenue as well with nothing being done to correct the issue. Councilman Brown continued to state that it was inappropriate for Mayor Proto to have stopped enforcement and throw out tickets which had been issued. It was a mistake to place limitations on the Police Department to enforce the ordinances. If the ordinances were not going to be enforced, they should be taken off the books.

Councilman Wendell stated the following: i) He complimented Mayor Proto regarding rescission of the parking tickets and for admitting that the parking was not phased in properly. The Town needed to rethink the issue of reverse-angle parking; ii) The Town never actively asked about the price of the property purchased by Patrick Hand in order to acquire it. It was good to see the Town lease the property from the railroad for additional parking but the area needed to be cleaned up and signage needed to be installed to inform people of the parking area. Lighting also needed to be installed; iii) He felt the Cape Charles Wave, LLC was both technologically competent and professional. The comments received from the businesses and residents were based on personality similar to what the Cape Charles Wave website was accused of. He was hopeful of a good resolution to the issue; and iv) More needed to be done regarding beach safety and signage to warn people of the dramatic drop off and currents. Again, he stated that he applauded the effort but more work was necessary.

Vice Mayor Bannon commented as follows: i) The Friends of the Cape Charles Memorial Library hosted a book signing on July 13<sup>th</sup> with 42 people in attendance. It was a great event. The next book signing event will be on July 20<sup>th</sup> at the Cape Charles Civic Center and would feature Kirk Mariner. He was hoping for a good turnout; and ii) He received complaints from two neighbors regarding pleasure boats and trailers being stored on the streets. He asked whether the boat owners could be asked to store them off-street. Mayor Proto stated that this might be a VDOT issue but the Town could review the issue again.

Councilwoman Natali stated the following: i) She agreed with Vice Mayor Bannon regarding boats and trailers being stored on the streets and added that there was a flatbed trailer abandoned, with flat tires and an expired license, and asked that this issue be addressed as well; ii) She wanted to make sure that people were aware of the Dock Dogs competition being held at Bay Creek from this Friday, July 17<sup>th</sup>, through Sunday, July 19<sup>th</sup>. The event was free and open to the public. People were

also encouraged to bring their dogs; and iii) The Citizens for Central Park, in conjunction with Harbor for the Arts, was sponsoring a number of concerts in Central Park with the first one scheduled for July 26<sup>th</sup>, from 6:00 p.m. to 8:00 p.m.

Mayor Proto stated that he did not have any additional comments.

**ANNOUNCEMENTS**

- July 28, 2015 – Mayor’s Office Hours, 6:00 PM – 7:00 PM.
- July 31-August 2, 2015 – Clam Slam.
- August 6, 2015 – Town Council Work Session, 6:00 PM.
- August 7-16, 2015 – Harbor for the Arts.
- August 9, 2015 – Art Rocks the Inns, 1:00 PM – 4:00 PM.
- August 11, 2015 – Mayor’s Office Hours, 2:00 PM – 3:00 PM.
- August 13, 2015 – Town Council Work Session, 6:00 PM.
- August 14-16, 2015 – Friends of the Library Book Sale at the Civic Center.
- August 20, 2015 – Town Council Regular Meeting, 6:00 PM.

**Motion made by Councilman Brown, seconded by Councilman Wendell, to adjourn the Town Council Regular Meeting. The motion was approved by unanimous vote.**

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Mayor Proto

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Town Clerk

**July 16, 2015 Town Council Regular Meeting**  
**Public Comments Provided in Writing**

*Dorie Southern, 104 Monroe Avenue*

Dear Cape Charles Town Council,

On June 10, a contract between the Town of Cape Charles and Cape Charles Wave LLC was executed to provide maintenance, support, and social media marketing for the Cape Charles By the Bay website.

At the June 18 Town Council meeting, objections to the contract were voiced by 14 members of the local business community.

On June 22, the town manager issued a stop work order to Cape Charles Wave LLC. A town memo states, "The complaints question the firm's ability to effectively market the Town as a tourism destination, given the negativity often displayed in their on-line publication *Cape Charles Wave* and lack of familiarity with happenings around town."

Our first reaction to the reason given for the stop work order was disbelief. "Lack of familiarity with happenings around town?" This is being said of me and my husband, who for three years published a newspaper expressly devoted to happenings around town? During those three years the Wave has reported nearly 2,000 local events – far more than any other news media.

"Negativity often displayed"? Yes, news is often negative. But our detractors are cherry-picking the *Wave*. There was plenty of good news reported. For example:

-- "Here's the Scoop on Brown Dog Ice Cream: Grand opening was a 'wild success,' with lines of customers 'from the dipping cabinet to the door,' reported a staff member. The five regular employees weren't nearly enough to serve the crowd, and Elton's friends and family members found themselves pressed into service." The story ended by saying: "Thanks Foster (the brown dog). You and your family are going to make a lot of folks happy!"

-- "Travel writer Becky Krystal stayed at Hotel Cape Charles recently, and gave a very favorable review. Unlike some local residents, Krystal didn't seem to mind the modern look of the just rebuilt Hotel Cape Charles, which she termed "very zen" and "eco-beach chic." The *Wave* even published a page-1 reprint of the glowing *Washington Post* review.

-- "Bay Haven Inn Remake Reflects Town Pride. The transformation at 403 Tazewell Avenue is one of the most dramatic examples of what is being played out all over the Cape Charles Historic District. Houses are getting coats of paint, new roofs, new plumbing, electrical work, shored-up foundations, and years of overgrowth are being trimmed from yards. Houses like Bay Haven Inn are surely promoting confidence in the Historic District."

-- "Business has been so good at the Shanty Restaurant at the Town Harbor that they plan to expand next year. The restaurant, which leases land from the Town of Cape Charles, has applied for permission to enclose the front entrance, add a market to the right of the entrance, and enclose the rear deck."

We have concluded that the indignation expressed at the Town Council meeting by those 14 individuals was less about the *Wave* and more about the fact that the Kohlers did not receive the contract renewal. Cape Charles By the Bay would not exist today were it not for the Kohlers and the Bed & Breakfast Association.

Sincerely,  
Dorie Southern  
104 Monroe Avenue  
571-201-2636

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*Kearn Schemm, 104 Monroe Avenue*

Dear Town Council,

I am the Southern's friend and business partner in the operation of Southern Breezes, a vacation rental duplex at 104 Monroe Avenue. We resent seeing tax dollars go to support a website favoring the Bed & Breakfast Association in exclusion of the vacation rental sector, which dwarfs the B&Bs. We started our vacation rental business five years ago, when only two B&Bs operated in the town and there were no hotels, and I reject Mr. Brinkley's claim that my business partner "does not have a solid background in tourism." George Southern has designed and maintained

tourism websites on [vrbo.com](http://vrbo.com), [homeaway.com](http://homeaway.com), vacation [rentals.com](http://rentals.com), [tripadvisor.com](http://tripadvisor.com), and the state of Virginia's own tourism web page.

During the two years the By the Bay website has existed, we were never approached to advertise. And even had we been asked, we would have declined, given the website's idiotic prohibition against linking our rental to our advertising in [vrbo.com](http://vrbo.com) and [homeaway.com](http://homeaway.com), for which we pay \$1,100 annually. More than 100 town vacation rental properties are featured on those two websites, and it's no surprise that not a single one is shown on Cape Charles by the Bay. Why spend money on a website that refuses to link basic information at the advertiser's request?

As to the allegations that the *Wave* lacks "familiarity with happenings around town," this is laughable. I have been approached by about a dozen people (neighbors and local business people) since the *Wave* stopped publication, and the common thread of their remarks was, "I would know nothing about what is going on in town if it weren't for the *Wave*." No one in town knows the happenings here better than the *Wave*.

Given their work ethic and experience, a *Wave*-run Cape Charles by the Bay would improve in quality and better serve our community. The Stop Work Order should be rescinded.

Sincerely,  
KEARN C. SCHEMM  
104 Monroe Avenue  
703-869-5885

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*George Southern, 104 Monroe Avenue*  
Dear Cape Charles Town Council,

As my business partner notes, the By the Bay website was designed to promote B&Bs. Our goal is to double the number of ads on the website. That should not be too difficult once vacation rentals are allowed to advertise without the current restrictions. When prospective visitors Google "Cape Charles," they are looking primarily for a place to stay. The majority of visitors are families for whom a B&B or a hotel room is not adequate. They want rental houses, and Cape Charles is full of them. But you would never know it from looking at the town's tourism website.

A purported reason for cancelling the contract is that disgruntled businesses would not advertise in By the Bay if it were managed by Cape Charles Wave LLC. But most businesses are not advertising in it anyway! Following is some information reported by the Kohlers to the town on June 7 and passed on to me upon receiving the contract:

- Ellen Moore Gallery never responded to a request to advertise.
- Cape Charles Water Sports (the Heywards) never responded to a request to advertise this year.
- Sea Grass Floral (Cynthia Dempster) never paid for their ad.
- Eastern Shore Signs (Andy Buchholz) moved to Cheriton and could not therefore be listed.
- There was no record of any advertising this year by the Baldwins.
- And there was no record of any advertising by Cape Charles Boat Tour Co. (David Lee).

That accounts for 7 of the 14 individuals who spoke against the Wave LLC. Another three individuals (Tammy Holloway and Bruce and Carol Evans) represent B&Bs and therefore have a strong reason to support the B&B Association. That leaves only 4 other business representatives who spoke and who actually had paid for ads in the website. They are Brown Dog, the Shanty, Hotel Cape Charles, and the Boardwalk. All four of those paid ads were removed by the Kohlers before they ceased managing the website on June 30.

The fact is that the town's tourism website lost four paying ads, plus two B&B ads, as a result of awarding the contract to the Wave LLC. If you allow me to manage the website as contracted, I will replace those 4 cancelled ads with 40 new ones, and if I cannot I will not charge for my services. In fact I already sold 2 ads before getting the stop work order. Please allow me to perform the services you have contracted for.

I'll conclude with more positive quotes from past issues of the *Wave*:

"TOURISM WEBSITE DEBUTS: All told, the website is an impressive new Town promotion which has been sorely lacking for years. It's a professional job (designed by Ciniva Web Agency in Norfolk), fairly easy to navigate, and does the Town proud."

Grand opening of the Cape Charles Yacht Center: “The yacht center is seen as a significant development that will change industry on the Eastern Shore. Components include a 40-acre harbor district and an 80-acre industrial park with access through a new road that will connect the harbor to Route 13, providing direct access for trucks to the harbor,” the *Wave* reported. Three months later the *Wave* featured a large front-page poster for the Baldwins’ first Bayamo party at the Yacht Center.

Sincerely,  
GEORGE SOUTHERN  
104 Monroe Avenue  
571-201-4101

**MUNICIPAL CORPORATION OF CAPE CHARLES  
TREASURER'S REPORT  
June 30, 2015**

**CASH POSITION**

<b>Cash on Hand</b>	<b>5/31/2015</b>	<b>6/30/2015</b>	<b>Increase/(Decrease)</b>
Shore Bank Checking Account	\$ 790,165	\$ 365,995	\$ (424,170)
Shore Bank Money Market Account	\$ 250,007	\$ 650,232	\$ 400,225
LGIP Account 1 - Unrestricted	\$ 97,448	\$ 97,458	\$ 10
LGIP Account 2 - Unrestricted	\$298,861	\$298,895	\$ 33
<b>Total Cash On Hand</b>	<b>\$ 1,436,481</b>	<b>\$ 1,412,580</b>	<b>\$ (23,902)</b>

<b>Restricted and Reserved Cash Balances</b>	<b>5/31/2015</b>	<b>6/30/2015</b>	<b>Increase/(Decrease)</b>
Shore Bank Savings Account - Facility Fees Reserved (Utilities)	\$234,446	\$234,471	25
Shore Bank Checking Account - Police Funds	\$431	\$431	0
LGIP Account 2 - Restricted for USDA Police Vehicle loans	\$10,875	\$10,875	0
PNC Account- 2013 Bond Proceeds - Principal	\$958,993	\$958,993	0
PNC Account- 2013 Bond Proceeds - Interest	\$2,009	\$2,139	129
US Bank - Reserved per VRA Interest Free Loan Requirements	\$257,582	\$257,584	1
<b>Total Cash Held in Reserve</b>	<b>\$ 1,464,336</b>	<b>\$ 1,464,492</b>	<b>\$ 156</b>
<b>Total Cash - All Accounts</b>	<b>\$ 2,900,818</b>	<b>\$ 2,877,072</b>	<b>\$ (23,746)</b>

**DEBT SERVICE**

<b><u>Next Debt Service Payments:</u></b>	<b><u>Due Date</u></b>	<b><u>Amount</u></b>
2006B VML/VACO	7/20/2015	\$121,963.75
2010D VML/VACO	8/5/2015	\$39,201.26

## REVENUE VS. EXPENDITURES

FUND	CURRENT MONTH	PRIOR YEAR-TO-DATE	CURRENT YEAR-TO-DATE	INCREASE/ (DECREASE) YTD	ANNUAL BUDGET	% REALIZED/ EXPENDED FY15
<b>GENERAL</b>						
REVENUES	86,126	2,617,927	2,311,836	(306,091)	3,707,715	62.35%
EXPENDED	193,816	2,422,045	1,954,429	(467,616)	3,707,715	52.71%
NET	(107,690)	195,883	357,408	161,525	0	
<b>PUBLIC UTILITIES</b>						
REVENUES	130,367	1,654,337	1,646,702	(7,635)	1,648,921	99.87%
EXPENDED	71,586	1,678,784	1,449,667	(229,117)	1,648,921	87.92%
NET	58,781	(24,446)	197,035	221,482	0	
<b>HARBOR</b>						
REVENUES	104,181	878,596	828,051	(50,545)	1,157,987	71.51%
EXPENDED	133,695	1,129,497	916,163	(213,333)	1,157,987	79.12%
NET	(29,514)	(250,901)	(88,112)	162,788	0	
<b>SANITATION</b>						
REVENUES	14,366	167,569	176,299	8,730	171,800	102.62%
EXPENDED	14,275	168,227	155,655	(12,572)	171,800	90.60%
NET	91	(658)	20,644	21,302	0	

## FY 2015 Capital Improvement Project Tracking Report

As of:  
6/30/2015

	FY15 Status or Start Date	Percent of Completion	FY15 Budgeted	FY15 QTR 1 Expended	FY15 QTR 2 Expended	FY15 QTR 3 Expended	FY15 QTR 4 Expended	FY15 YTD Expended	(Over)/Under Budget
<b>General Fund</b>									
Dump Truck	Complete	100%	\$ 30,000	\$ -	\$ 34,574	\$ -	\$ -	\$ 34,574	\$ (4,574)
Cape Chas Multi-Use Trail Phase 2	Completion in FY2016	1%	\$ 1,570,000	\$ 24	\$ 3,414	\$ 5,193	\$ -	\$ 8,631	\$ 1,561,369
Library Building HVAC 2nd Floor	Complete	100%	\$ 10,000	\$ -	\$ -	\$ -	\$ 8,848	\$ 8,848	\$ 1,152
Furniture and Equip - Civic Center	Complete	100%	\$ 18,925	\$ 13,895	\$ 2,098	\$ 92	\$ 3,577	\$ 19,661	\$ (736)
New Phone System	Completed in March	100%	\$ 11,213	\$ -	\$ -	\$ 5,490	\$ -	\$ 5,490	\$ 5,723
Replacement Police Vehicle	Completed in November	100%	\$ 23,200	\$ -	\$ 25,326	\$ -	\$ -	\$ 25,326	\$ (2,126)
Shore Scan Products	Completed	100%	\$ 8,200	\$ 6,188	\$ 2,013	\$ -	\$ -	\$ 8,200	\$ -
Pine St Parking/Waste Mgmt Design	\$10K original, \$10K added in March	52%	\$ 20,000	\$ 1,273	\$ 1,554	\$ -	\$ 7,672	\$ 10,500	\$ 9,500
Mason St RR Parking Lot Improvements	\$20K added in March	94%	\$ 20,000	\$ -	\$ -	\$ -	\$ 18,754	\$ 18,754	\$ 1,246
Beach Swimming Area	Work Complete, payments pending	32%	\$ 10,000	\$ -	\$ -	\$ -	\$ 3,189	\$ 3,189	\$ 6,811
<b>subtotal</b>			<b>\$ 1,721,538</b>	<b>\$ 21,379</b>	<b>\$ 68,979</b>	<b>\$ 10,775</b>	<b>\$ 42,040</b>	<b>\$ 143,173</b>	<b>\$ 1,578,365</b>
<b>Water Fund</b>									
Keck wells Engineering & Construction	Ongoing	68%	\$ 60,000	\$ 7,995	\$ 15,604	\$ 15,190	\$ 2,107	\$ 40,895	\$ 19,105
Automatic Flush (1/5)	Started in February	67%	\$ 10,000	\$ -	\$ -	\$ 5,896	\$ 793	\$ 6,689	\$ 3,311
Truck (shared) revised mid-year	Delivered, payment pending	0%	\$ 11,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,900
Chloramine System	Will begin in FY16	0%	\$ 33,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,000
<b>subtotal</b>			<b>\$ 114,900</b>	<b>\$ 7,995</b>	<b>\$ 15,604</b>	<b>\$ 21,086</b>	<b>\$ 2,900</b>	<b>\$ 47,584</b>	<b>\$ 67,316</b>
<b>Sewer Fund</b>									
Truck (shared) revised mid year	Delivered, payment pending	0%	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,500
Pump Station Redesign Engineering	Ongoing	28%	\$ 30,000	\$ -	\$ -	\$ 6,244	\$ 2,065	\$ 8,309	\$ 21,691
Manhole Rehab (adjusted mid-year)	Completion-Fall 2015	14%	\$ 45,000	\$ -	\$ -	\$ 6,175	\$ -	\$ 6,175	\$ 38,825
<b>subtotal</b>			<b>\$ 87,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,419</b>	<b>\$ 2,065</b>	<b>\$ 14,484</b>	<b>\$ 73,016</b>
<b>TOTAL</b>		<b>11%</b>	<b>\$ 1,923,938</b>	<b>\$ 29,374</b>	<b>\$ 84,583</b>	<b>\$ 44,279</b>	<b>\$ 47,004</b>	<b>\$ 205,240</b>	<b>\$ 1,718,698</b>
<b>TOTAL excluding the Trail Project and Chloramine system</b>		<b>64.0%</b>							

**MUNICIPAL CORPORATION OF CAPE CHARLES**  
**June 30, 2015**

**YTD 2014 Real Estate Tax Collections**

Total Land Value	\$	206,709,800	
Total Improvement Value	\$	<u>203,219,700</u>	
<b>Total Real Estate Value</b>	<b>\$</b>	<b>409,929,500</b>	

**6/30/2015**

Total Budgeted	\$	1,073,856	
Total Bills Mailed	\$	1,140,276	
Total Collected per Budget	\$	<u>1,064,741</u>	99%
<b>Amount Due</b>	<b>\$</b>	<b>75,535</b>	

**YTD 2014 Personal Property Tax, Machinery and Tools Tax, &  
2015 License Tax Collections**

<b>Total Personal Property Value</b>	<b>\$</b>	<b>13,577,500</b>	
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**6/30/2015**

Total Budgeted FY14	\$	160,000	
Total Bills Mailed	\$	173,253	
Total Adjusted	\$	(6,179)	
Total Collected per Budget	\$	<u>137,700</u>	86%
<b>Amount Due</b>	<b>\$</b>	<b>29,374.64</b>	

**FY 2015 YTD Prior Year Real Estate Tax, Personal Property Tax,  
Interest and Penalty Collections**

**6/30/2015**

Total Budgeted FY 2015	\$	125,000	
Total Collected	\$	<u>132,846</u>	106%
<b>Amount Anticipated/Over</b>	<b>\$</b>	<b>(7,846)</b>	